

~~SECRET~~

25X1

~~SECRET~~

25X1

25X1

COUNTRY East Germany

REPORT

SUBJECT Hauptverwaltung Radio Fernmeldetechnik DATE OF REPORT 29 October 1956

PLACE ACQUIRED

25X1

DATE OF INFO

LAST REPORT ON SUBJECT
(If applicable)

25X1

EVALUATION OF SOURCE

ANNEXES

25X1

APPRAISAL OF CONTENT

This is UNEVALUATED
Information

25X1

1. Scheffler (fnu), the production manager of HV RFT, had been in Moscow until 24 September for conferences. The conferences were made the basis for a meeting to be held in late September 1955 by Department Administration, Planning and Collecting of the Ministry of Interior (the former BfW) to negotiate on enterprises which were to be assigned to the Ministry of Interior. The meeting was to be presided over by Belz (fnu), chief of Department Administration, Planning and Collecting, and was to be attended by Major Fink (fnu) who was in charge of shipbuilding questions with the Ministry of Interior. A shipbuilding conference revealing the results of that meeting was to be held at the HV RFT on 4 October 1955.
2. On 2 September 1955, a conference on shipbuilding deliveries in 1955 was held at Funkwerk Koepenick. Department Chief Krebs (fnu) stated that Funkwerk Koepenick would fall behind in the production of ten 100-Watt stations in September 1955 which would affect 6 loggers, 2 seagoing tug boats and 2 refrigerating loggers and would mean a loss in export amounting to approximately 2 million DME. Krebs also stated that the order demanding that all ship radio installations be in accordance with the regulations of the Soviet Naval Register on 1 January 1956 was not carried out, although HV RFT had accepted it, and that applications for exemption were continuously forwarded by ship radio engineering plants. Funkwerk Koepenick applied for an exemption valid to 30 June 1956 for logger radio stations and rescue boat radio stations and asked permission to deliver these devices in their old form. Although the application was forwarded as early as 1 June 1955, no decision of the Soviet Naval Register had been received. Funkwerk Koellen which produced ship radio stations and electro-acoustic stations was also obliged to apply for exemption since the seawaterproof record player demanded by the Naval Register was not in existence in East Germany nor would it be in the near future. Funkwerk Zittau had received exemption for the production in 1955 of direction finders by Blinow (fnu) of the Soviet Trade Agency and by Tomashenkov (fnu) of the Soviet Naval Register in Rostock since a complete new construction was necessary. Since numerous specialists of Funkwerk Koepenick had left [redacted] construction of the zero series of the new goniometer direction finder was not expected to start until the third quarter of 1957. Funkwerk Zittau therefore was obliged to apply for another exemption for direction finders for 1956.
3. The main administration of the Mfak (sic) had been assigned chief constructors who were renamed "chief engineers" in August 1955. The chief

25X1

25X1

~~SECRET~~

SECRET

25X1

25X1

- 2 -

engineer was an inspecting officer who had to supervise all technology of the main administrations and to make sure that the adaptation to the international standard of engineering (called "the new engineering" in the ministry and the plants), which was ordered by Law Gazette No 63, was accomplished everywhere. He also had to see that his main administration was kept informed about those products which as a result of the improvement of technology must no longer be produced, and what should be produced instead. In early September 1955, Kix (fmu), until now engineering manager of HV RFT, was appointed chief engineer, and Neuwirth (fmu), keeping his position as head of the mechanical main department, was appointed to be engineering manager. Dr. Heinze (fmu), until now head of the developing laboratory for receiving tubes in Erfurt, was appointed to be head of Department Research and Development. Heinz Scheffler, until now production manager of HV RFT, was to leave his post on 31 December 1955 to spend two years at the Dresden Institute of Technology and to take the examinations of a graduate engineer. He was to get an endowment amounting to 70 percent of his present pay which was 2,200 DME. Heinze (fmu), head of Department Planning, was to spend two years at the Deutsche Wirtschaftsinstitut (German Institute of Economics) beginning on 1 January 1956 and to take examinations there. He, too, was to get an endowment of 70 percent of his present pay.

4. Helmut Wunderlich, Minister for Mechanical Engineering, was said to have been severely reprimanded in early October by the SED Central Committee and the Minister's Council for having neglected East German export obligations, particularly in the RFT field. The position of Schmidt (fmu), head of the main administration, was said to be endangered for the same reasons.
5. On 9 November 1955, a meeting of HV RFT development managers was held in the House of Ministries in Berlin. It was attended by 80 persons and was directed by Main Constructor Dr. Heinze (fmu) of Erfurt, the HV RFT special representative for research and development. Dr. Heinze opened discussion by mentioning the problem of the East German intelligentsia more and more leaving for the West. He stated that the 24th Full Assembly of the SED Central Committee demanded that this disastrous development be stopped and the standard of living of the technical intelligentsia be made superior to that of other people. The government agencies should support the intelligentsia in getting motor cars, residence and furniture etc. Dr. Heinze then stated that the 1955 development plan would in outstanding cases be fulfilled 85 percent and probably only 80 percent. During the preceding eight weeks, a great many plants had given back considerable sums designed for developmental work. When he said that developmental work could not be continued this way he was interrupted by the audience: "You just stated the reasons yourself; people who are no longer here, cannot work here."
6. Dr. Heinze further stated that an amount of 45 million DME was allotted to the HV RFT for developmental work in 1956. The development departments

SECRET

25X1

25X1

~~SECRET~~

25X1

of the plants could use approximately 5 percent of this amount at their discretion; the remaining sum of approximately 42 million DEM had already been disposed of. All amounts for the subjects of development which had been applied for had been cut. Dr. Heinze quoted the following examples:

Plant	Applied For	Approved
Funkwerk Leipzig (without Plagwitz)	550,000.- DEM	430,000.- DEM
Fernmeldostello Leipzig	1,000,000.- DEM	970,000.- DEM
Funkwerk Erfurt	3,000,000.- DEM	2,750,000.- DEM
Geraetowork Leipzig	215,000.- DEM	141,000.- DEM
EFEM Berlin-Oborschoeneweide	2,500,000.- DEM	1,424,000.- DEM
Geraetowork Karl-Marx-Stadt	not available	478,000.- DEM
Mosgeraetowork Zuccenitz	not available	542,000.- DEM

The amounts applied for by the Zentrallaboratorium fuer Fernmeldetechnik (ZLF) on Elsen Strasse in Berlin-Troptow and its branch in Arnstadt were not quoted. Dr. Heinze only mentioned that it had received additional development orders amounting to 200,000.- DEM by the Ministry of Interior. The amounts of Funkwerk Koepenick, Sachsenwerk Radeberg and Werk fuer Fernmeldewesen HF, the most important contractors, were also not mentioned. Approximately 800 subjects of development had been approved for 1956. Forty-six of them were so-called D subjects which were supervised by the Zentralamt fuer Forschung (ZAF) and 294 of them were subjects which were controlled by the HV RFT itself. The other subjects were put under the responsibility of the plants and the managers were responsible for their fulfillment. The so-called D subjects were distributed as follows:

Number of Subjects	Plant
12	ZLF
1	Funkwerk Erfurt
1	Plagwitz branch of Funkwerk Leipzig
2	Carl von Ossietzky
5	Kondensatorowork Gera
5	Funkwerk Dresden
4	Berliner Gluehlampenwerk
2	Funkwerk Koepenick
8	Werk fuer Fernmeldewesen HF
2	Sachsenwerk Radeberg
4	Stern Radio Sonneberg.

It was also learned that the Zentralstelle fuer Rundfunkentwicklung which had been scheduled for Dresden actually was established at VEB Stern Radio Sonneberg. The Plagwitz branch with its development manager Dr. Lange (fmu) and Fernmeldewerk Leipzig with Hagor (fmu) were to be assigned to HV 18. The Plagwitz plant already gave individual subjects of development which to the Ministry of Interior were of no interest to other RFT plants.

~~SECRET~~

25X1

25X1

25X1

SECRET

~~SECRET~~

7. In September 1955, the plants again repeatedly complained to the HV RFT of the unintelligible price policy of DIA. The new threespeed record player of Funkwerk Zittau which had a factory sales price of 135.- DME was sold by DIA [] at a price of 8 9.20, whereas a luminous globe of the Leipzig Rautz Firm which was on the market for approximately 50.- DME was exported by DIA at a price of 8 10. The plant managers complaining of these methods at the Leipzig Fair were answered that they should leave that to the government agencies which were well aware of what they were doing. Strange things happened when the price for the three-speed record player was fixed. Following the catchword of "Better and Cheaper Commodities" Funkwerk Zittau had improved the three-speed record player to such a degree that it had to apply for a factory sales price of 120.- DME. Meanwhile another two threespeed record players had been put on the market in East Germany, namely one device produced by Fernmeldewerk Leipzig and one device for broader distribution produced by Funkwerk Koepenick. The rather complicated record player of Fernmeldewerk Leipzig was approved with a factory sales price of 150.- DME, although its production cost amounted to 164.- DME, so that Fernmeldewerk Leipzig lost 14.- DME for each device. The device for broader distribution produced by Funkwerk Koepenick was approved with 120.- DME. The device of Funkwerk Zittau was now approved with a factory sales price of 135.- DME instead of 120.- DME applied for. When the plant objected that the device would be less salable at this price it was informed by the Ministry of Finance that this measure was necessary on behalf of Funkwerk Koepenick and Fernmeldewerk Leipzig. If factory sales price of only 120.- DME had been fixed for the device of Funkwerk Zittau, the two other plants would not have had the slightest chance of selling one device. Thus the factory sales price had to be risen to 135.- DME. The difference of 15.- DME had to be paid over to a special state account. Procedures of this kind had previously not happened in East Germany.

25X1

8. One of the most important East German bottlenecks could be overcome by adequate zinc imports from Poland in July and August 1955. Brass, nickel and automatic steel, however, were still in very short supply. Except for the lists prohibiting utilization of copper and copper alloys as well as zinc and zinc alloys, no other lists of that kind had been published in late 1955. HV RFT could hardly satisfy the demand for brass of Funkwerk Koepenick. Stern Radio Stassfurt and Funkwerk Koelloda and Funkwerk Zittau were so short of brass in September 1955 that they had to stop work in some fields. In September 1955, electrolytic condensers was one of the most severe bottlenecks in the RFT field because boric acid and soda cellulose paper which are necessary for their production were not available. For unknown reasons the East German condenser industry was obliged to get the acid in knapsacks []. Production of white enamel was also heavily burdened due to the lack of boric acid. Soda cellulose paper delivered [] was unusable because it contained too much chlorine. [] In September 1955, Czechoslovakia delivered 200 kg, but on condition that the paper

25X1

25X1

25X1

25X1

~~SECRET~~

SECRET

25X1

25X1

~~SECRET~~~~SECRET~~

would be used for Czechoslovakian export orders only. Negotiations concerning delivery of more soda cellulose paper for German requirements were still in progress in late September. Also the supply department of HV RFT tried to come to a contract for the delivery of 2 tons [redacted]

25X1

25X1

9. In August 1955, Hosack (fmu) the plant manager of Funkwerk Dabendorf, left his job because of constant friction in the plant. Brugger (fmu) the engineering manager of the plant, known to be a true follower of the regime, was appointed as his provisional deputy. Wockonow (fmu) until now plant manager of the Werk fuer Bauelemente in Grossbreitenbach, Thuringia, was transferred to the position of plant manager at Funkwerk Dresden. Hoffmann (fmu) was made provisional plant manager in Grossbreitenbach. [redacted]

25X1

25X1

25X1

~~SECRET~~

25X1